

ANNUAL REPORT TO STOCKHOLDERS



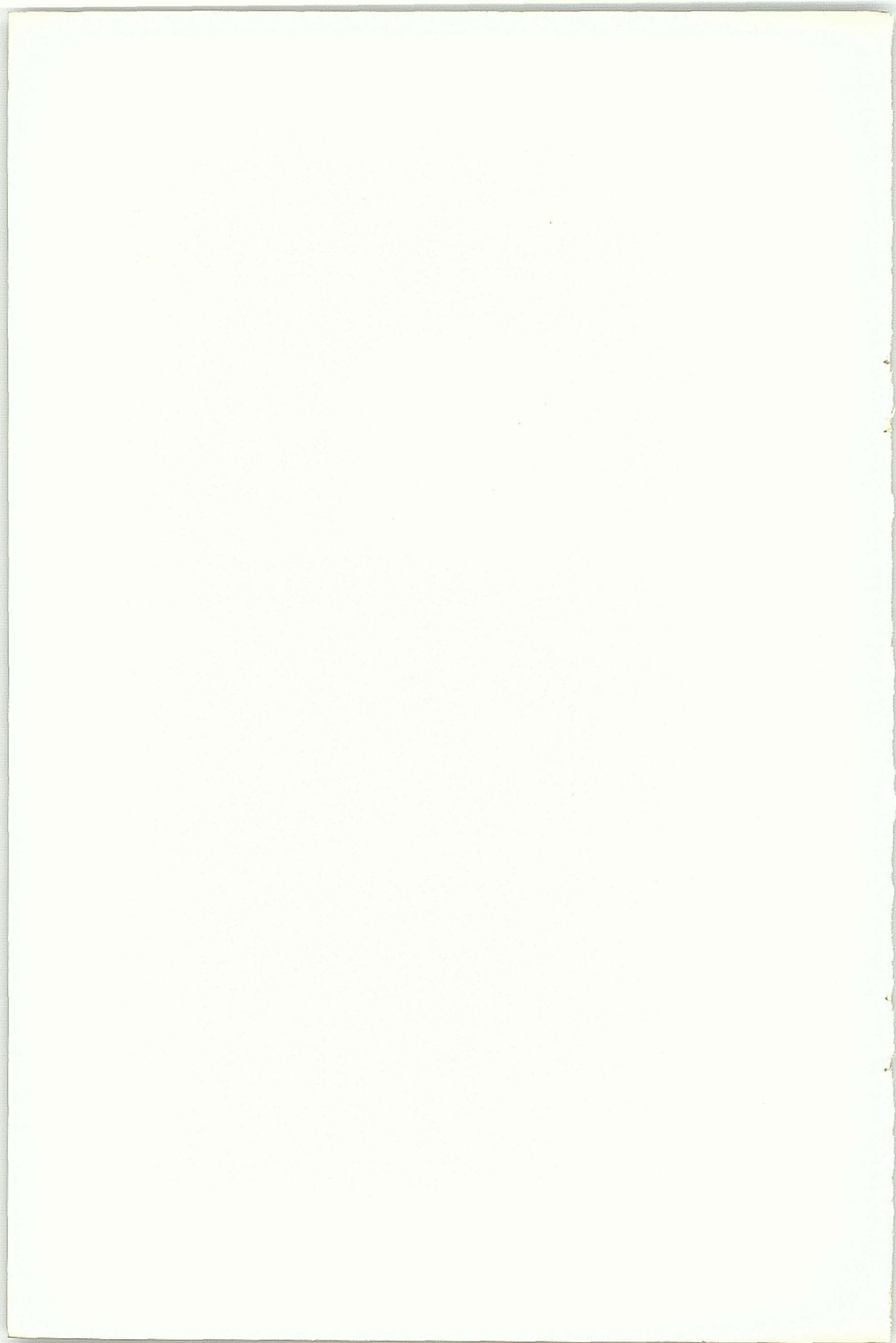
1953

THE COCA-COLA COMPANY
NEW YORK, NEW YORK

BOARDS

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ANNUAL REPORT

THE COCA-COLA COMPANY
AND ITS SUBSIDIARIES



FOR THE YEAR
1 9 5 3

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

A. A. ACKLIN	LINDSEY HOPKINS	HUGHES SPALDING
CHAS. H. CANDLER	J. P. ILLGES	E. W. STETSON
R. R. DEUPREE	HARRISON JONES	D. A. TURNER
A. B. FREEMAN	H. B. NICHOLSON	GEORGE W. WOODRUFF
BERNARD F. GIMBEL	WINSHIP NUNNALLY	R. W. WOODRUFF

EXECUTIVE COMMITTEE

R. W. WOODRUFF, *Chairman*

CHAS. H. CANDLER	E. W. STETSON	D. A. TURNER
HUGHES SPALDING		GEORGE W. WOODRUFF

A. A. ACKLIN, *Chairman, Advisory Committee*

OFFICERS

H. B. NICHOLSON	<i>President</i>
CHARLES W. ADAMS	<i>Vice President</i>
FELIX W. COSTE	<i>Vice President</i>
EDGAR J. FORIO	<i>Vice President</i>
HOLLAND B. JUDKINS	<i>Vice President</i>
O. E. MAY	<i>Vice President</i>
B. H. OEHLERT, JR.	<i>Vice President</i>
HAROLD S. SHARP	<i>Vice President</i>
E. D. SLEDGE	<i>Vice President</i>
JOHN C. STATON	<i>Vice President</i>
T. CARL THOMPSON	<i>Vice President</i>
JOHN D. GOODLOE	<i>Vice President and Secretary</i>
EDMUND W. PUGH, JR.	<i>Treasurer</i>

COUNSEL

POPE F. BROCK

TRANSFER AGENTS

WILMINGTON TRUST COMPANY <i>Wilmington, Delaware</i>
GUARANTY TRUST COMPANY OF NEW YORK <i>New York, New York</i>
TRUST COMPANY OF GEORGIA <i>Atlanta, Georgia</i>

REGISTRARS

EQUITABLE SECURITY TRUST COMPANY <i>Wilmington, Delaware</i>
CHASE NATIONAL BANK <i>New York, New York</i>
THE FIRST NATIONAL BANK OF ATLANTA <i>Atlanta, Georgia</i>

THE COCA-COLA COMPANY
NEW YORK, NEW YORK

March 8, 1954

TO STOCKHOLDERS OF
THE COCA-COLA COMPANY:

Net profit for 1953 was \$28,209,242 or \$6.60 a share after taxes and all other charges. Income taxes, including excess profits taxes, amounted to \$32,868,000 or \$7.69 a share.

Gallon sales in 1953 attained the highest level in the Company's 68-year history. The continuity and sustained acceptance of our product through the years is illustrated by the fact that over eighty of the organizations engaged in bottling Coca-Cola have now entered upon their second half-century of operations.

A separate mailing will be made of proxy forms and notice of the annual meeting of stockholders to be held at 11 A.M., E.S.T., on Monday, May 3, 1954, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

The consolidated balance sheet, profit and loss statement and earned surplus account are shown on the following pages.

For the Board of Directors,

H. B. NICHOLSON,
President

JOHN D. GOODLOE,
Secretary

CONSOLIDATED
THE COCA-COLA COMPANY AND I
December

ASSETS

CURRENT:

Cash	\$23,157,371.45	
Government securities—at cost:		
United States and Canadian		
(market price \$43,643,437.60) . . .	43,555,981.25	
Trade accounts receivable		
(less allowance of \$64,771.79)	13,683,521.81	
Inventory		
(at lower of average cost or market) .	<u>38,812,301.53</u>	\$119,209,176.04

MISCELLANEOUS RECEIVABLES AND INVESTMENTS 13,510,849.41

PROPERTY, PLANT AND EQUIPMENT:

At cost:

Land	\$ 4,371,922.50
Buildings	34,231,046.94
Machinery and equipment	45,275,939.82
Containers	15,469,803.76
	<u>\$99,348,713.02</u>

Less allowance for depreciation 38,988,671.00 60,360,042.02

FORMULAE, TRADE-MARK AND GOODWILL—at cost . . . 40,091,426.72

DEFERRED CHARGES 2,646,005.80

\$235,817,499.99

The notes on page 7 constitute an

BALANCE SHEET
 TS CONSOLIDATED SUBSIDIARIES
 31, 1953

LIABILITIES

CURRENT:

Accounts payable and accrued accounts	\$ 16,596,723.62	
Notes payable by subsidiaries	3,055,410.44	
Accrued taxes—including taxes on income	\$34,304,771.39	
Less U. S. Treasury tax notes	24,036,341.30	10,268,430.09
		<u>\$ 29,920,564.15</u>

RESERVES:

For unremitted foreign profits	\$25,967,563.58	
For employees' retirement plan	1,009,036.39	26,976,599.97

MINORITY INTERESTS IN SUBSIDIARIES	367,322.82
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COMMON STOCK—no par value:

Authorized	5,000,000 shares	
Issued	4,280,805 shares	\$ 26,755,031.25

CAPITAL SURPLUS	1,825,112.24
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EARNED SURPLUS	150,293,357.07
	<u>\$178,873,500.56</u>

Less 4,827 shares of stock owned by Company—at cost	320,487.51	178,553,013.05
		<u><u>\$235,817,499.99</u></u>

integral part of this statement.

CONSOLIDATED PROFIT AND LOSS STATEMENT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1953

GROSS PROFIT	\$139,471,342.74	
EXPENSES		
Selling, administrative and general	79,290,091.85	
OPERATING PROFIT	\$ 60,181,250.89	
Other income	\$5,254,187.42	
Less other deductions	4,336,611.95	917,575.47
PROFIT BEFORE TAXES ON INCOME	\$ 61,098,826.36	
Provision for taxes on income—estimated:		
Federal, state and foreign income and excess profits taxes	32,868,000.00	
		\$ 28,230,826.36
Less portion of subsidiary earnings applicable to minority interests	21,584.31	
NET PROFIT	\$ 28,209,242.05	

CONSOLIDATED EARNED SURPLUS ACCOUNT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1953

Balance—December 31, 1952	\$143,464,005.02	
Net profit for the year ended December 31, 1953	28,209,242.05	
		\$171,673,247.07
DEDUCTIONS		
Dividends paid in cash:		
Mar. 31, 1953—\$1.00 per share	\$ 4,280,805.00	
June 30, 1953—\$1.00 per share	4,280,805.00	
Sept. 30, 1953—\$1.00 per share	4,280,805.00	
Dec. 14, 1953—\$1.00 per share plus \$1.00 per share additional	8,561,610.00	
	\$21,404,025.00	
Less dividends on 4,827 shares owned by Company during year	24,135.00	21,379,890.00
EARNED SURPLUS—DECEMBER 31, 1953	\$150,293,357.07	

The notes on page 7 constitute an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET:

1. *Miscellaneous Receivables and Investments.* Includes \$3,781,081.08 in U. S. funds deposited to the credit of banks to secure certain foreign currency notes payable by subsidiaries, which indebtedness, stated at prevailing rates of exchange, amounted to \$2,992,706.88 at December 31, 1953.

2. *Goodwill.* During the year the amount stated for formulae, trade-mark and goodwill decreased \$1,349,256.39 as a result of the sale of the net assets of a subsidiary and its subsequent liquidation. Proceeds of the sale were slightly in excess of the carrying amounts of the net assets disposed of (including the aforementioned goodwill).

3. *Capital Surplus.* During the year the capital surplus account was increased \$64.49, resulting from acquisition of capital stock in a subsidiary.

4. *Foreign Operations.* The accounts of subsidiaries and branches operating in foreign countries, consolidated in this balance sheet, consist of: current assets, \$26,901,258.03 (including cash and government securities aggregating \$12,441,392.37); property, plant and equipment at depreciated cost, \$21,308,080.00; other assets, \$6,882,059.63; and liabilities, \$17,826,650.04. Fixed assets are stated at rates of exchange prevailing at dates of acquisition and all other assets at rates of exchange prevailing at December 31, 1953. Unremitted profits of such subsidiaries and branches, consolidated herein, are included as follows: \$25,967,563.58 in the reserve for unremitted foreign profits and \$1,734,002.30 in earned surplus.

CONSOLIDATED PROFIT AND LOSS STATEMENT:

5. *Depreciation.* Provision for depreciation in the amount of \$5,533,250.02 was charged to manufacturing and other expenses.

6. *Other Deductions.* Includes interest paid \$329,508.64; addition to reserve for unremitted foreign profits \$1,141,502.42; and addition to reserve for employees' retirement plan \$29,608.71, against which reserve has been charged \$327,745.80, the amount funded during the year.

7. *Foreign Profits Remitted.* Dividends from companies operating in foreign countries, the current profits of which are not reserved for, were \$425,955.41 less than the profits of such companies consolidated herein.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
NEW YORK, NEW YORK

We have examined the consolidated balance sheet of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1953, and the related statements of consolidated profit and loss and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated position of THE COCA-COLA COMPANY and its subsidiaries at December 31, 1953, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST
Certified Public Accountants

March 1, 1954

